

The United States Attorney's Office

Southern District of Florida

Press Release

CHECKMATE FINANCIAL, INC. DEFENDANT SENTENCED FOR CONSPIRACY TO COMMIT MAIL AND WIRE FRAUD

August 24, 2006

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Postal Inspector in Charge, United States Postal Inspection Service, announced that defendant, **Melvin Webman**, was sentenced earlier today by United States District Court Judge Cecilia M. Altonaga in Miami, Florida to a term of 102 months in prison and a term of three years of supervised release.

On March 23, 2006, a grand jury returned a twenty-two count Indictment charging defendant Webman and others with conspiracy to commit mail fraud and wire fraud, in violation of Title 18, United States Code, Section 1349; mail fraud, in violation of Title 18, United States Code, Section 1341; and wire fraud, in violation of Title 18, United States Code, Section 1343. On June 15, 2006, Webman entered a guilty plea in Miami federal court to one count of the Indictment, charging conspiracy to commit mail and wire fraud. Webman served as CheckMate Financial's Corporate Vice President and Secretary.

According to the Indictment, Webman and others engaged in the solicitation of investments through CheckMate Financial, Inc. to support a supposed mobile check cashing operation. Webman and others fraudulently induced investors around the country to invest in CheckMate Financial. Webman and others misrepresented that CheckMate Financial had at least one mobile check cashing unit that was in operation cashing checks in Florida. In fact, however, CheckMate Financial did not have a mobile check cashing unit that was in operation cashing checks in Florida, or anywhere else.

According to the Indictment and court records, potential investors were told that CheckMate Financial had numerous routes in operation for a mobile check cashing unit to cash checks at various places, including at construction sites, hospitals, cruise ships, and large factories to provide onsite payroll check cashing benefits for employees. In fact, however, CheckMate Financial did not have a mobile check cashing unit that was in operation cashing checks nor did CheckMate Financial have a license from the State of Florida to cash checks. According to Webman and his co-conspirators, an investor would earn a substantial return on their investment from CheckMate Financial's check cashing operations.

CheckMate Financial promoted the investment opportunity across the country through unsolicited telephone calls to potential investors. Webman and others fraudulently induced approximately 140 investors to invest a total of more than \$3 million in CheckMate Financial.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service and the State of Florida's Office of Financial Regulation. This case was prosecuted by Jeffrey Steger and David Farnham, Trial Attorneys, United States Department of Justice, Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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